

The Aluminum Situation

Department of Economics and Statistics

December 1985

Shipments Off 1.3 Percent

Net shipments for ten months of 1985, at an estimated 12,806 million pounds, were 1.3 percent lower than the 12,970 million pounds for ten months of 1984.

Domestic shipments of 11,737 million pounds were 2.9 percent lower than the 12,090 million pounds shipped in ten months of 1984.

Imports were down 5.6 percent and exports improved 21.5 percent.

Thru October 1985

	10 mos. 1985	10 mos. 1984	% Change
Mill Products	10,112	10,171	- 0.6
Ingot	2,694	2,799	- 3.0
Total	12,806	12,970	- 1.3
Less Exports	(1,069)	(880)	+21.5
Domestic Total	11,737	12,090	- 2.9

Millions of Pounds
Source: Latest two months estimated by the Aluminum Association.
Previous data-Bureau of the Census.

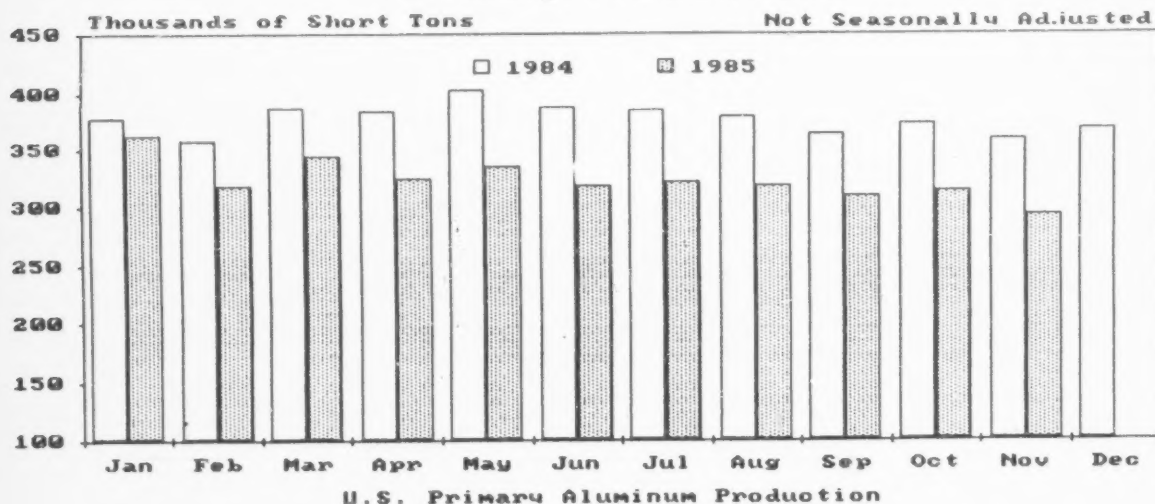
The annual rate of production in November 1985 was 3,559,048 tons, compared to a revised 3,697,350 tons in October 1985. November 1984 production rate was 4,375,530 tons.

Production Rate Down 18.4 Percent

U.S. primary aluminum production averaged 9,751 short tons daily during November 1985 compared with an average 11,955 tons day in November 1984.

Actual production in November 1985 was 292,525 tons. October 1985 was revised to 314,022 tons.

Primary Production

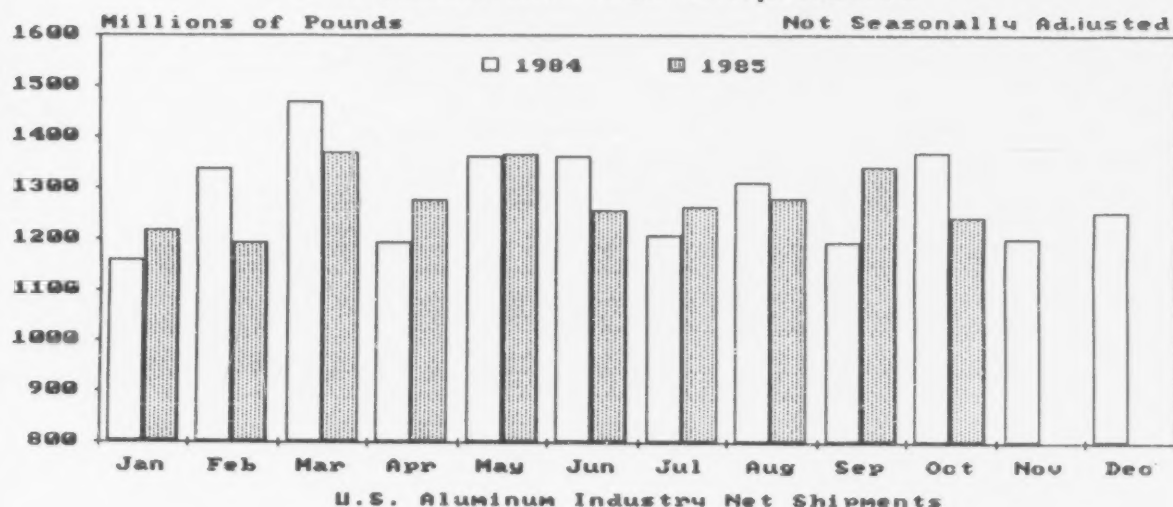


Aluminum Association total industry estimates are based on information reported by members, which is aggregated by the Association and then expanded to total industry data utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. While the Association believes that its statistical procedures and methods are reliable, it does not warrant the accuracy or completeness of the data. All data contained herein are subject to revision.

Shipments 1.3 Percent Less Than Year Ago

Estimated shipments of 12,806 million pounds for the first ten months of 1985 were down 1.3 percent from the same period in 1984. Exports were up 21.5 percent, and domestic shipments were down 2.9 percent.

Aluminum Net Shipments



Net Shipments

(Millions of Pounds)

	1985 Oct*	1984 Oct.	1985 10 mos*	1984 10 mos.	% Change YTD 1985 vs. 1984
Sheet	526.0	502.5	5,245.0	5,249.8	- 0.1
Plate	22.0	24.7	216.2	217.2	- 0.5
Foil	74.0	78.7	683.0	729.6	- 6.4
Rod, Bar & Wire	26.0	30.0	250.4	328.4	-23.8
Electrical Conductor	57.0	78.6	584.7	622.0	- 6.0
Extruded Shapes & Tube**	240.0	220.0	2,233.3	2,060.5	+ 8.4
Powder & Paste	9.0	9.6	91.7	83.6	+ 9.7
Forgings & Impacts	13.0	12.3	125.3	123.1	+ 1.8
Net Imports of Mill					
Products (Total) (a)	60.0	86.2	682.7	756.5	- 9.8
Total Mill Products	1,027.0	1,042.6	10,112.3	10,170.7	- 0.6
Ingot (b)	214.0	325.4	2,694.1	2,799.6	- 3.8
TOTAL INDUSTRY SHIPMENTS	1,241.0	1,368.0	12,806.4	12,970.3	- 1.3
Exports	-90.1	-79.2	-1,069.1	-880.2	+21.5
TOTAL DOMESTIC SHIPMENTS	1,150.9	1,288.8	11,737.3	12,090.1	- 2.9

** January-May 1985 shapes and tubes increased to account for unsourced Census revision to total mill products.

*Latest two months estimated by the Aluminum Association.

Previous data-Bureau of the Census and Department of Commerce.

(a) Not included in product data above.

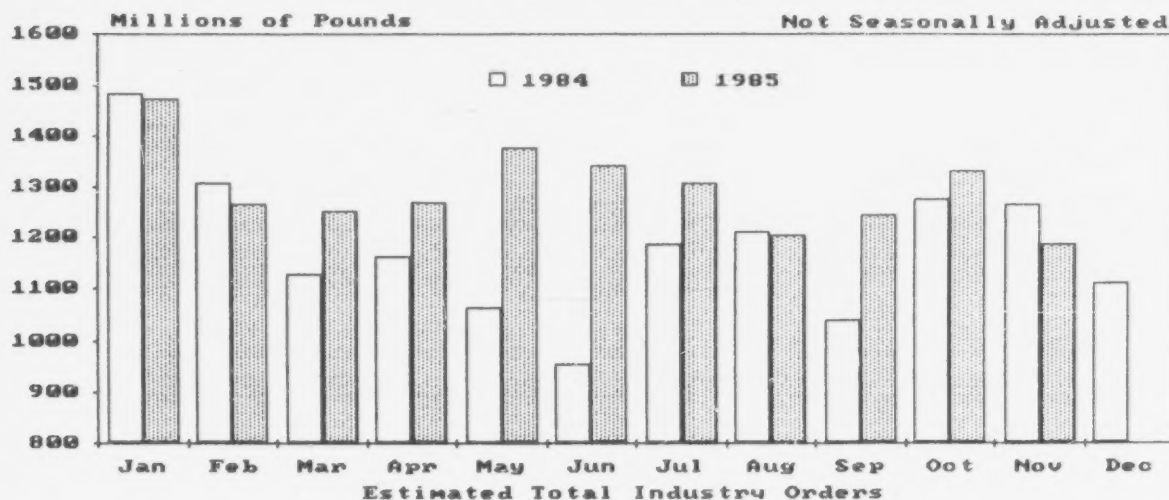
(b) Sufficient data not available for reliable estimate. Implicit in this item is a 10 to 25% variation.

Commencing January 1985, Census reports have changed product categories as follows: Rod, Bar and Wire now includes Extruded Rod and Bar; the former Extruded Products now only consists of Shapes and Pipe and Tube; and Welded Tube has been dropped.

Orders for Eleven Months Up 9.0 Percent

Estimated net new order receipts for the first eleven months of 1985 of 14,266 million pounds were up 9.0 percent higher than the 13,084 million pounds for 1984's same period. November 1985 orders were 143 million pounds less the revised October 1985 orders of 1,333 million pounds.

Order Receipts



Order Receipts

(Millions of Pounds)

	1985 Nov*	1984 Nov.	1985 11 mos*	1984 11 mos.	% Change YTD 1985 vs. 1984
Can Stock(a)	172.2	239.6	2,869.2	2,770.8	+ 3.6
Sheet & Plate, Other	338.2	296.1	3,743.1	3,016.1	+24.1
Foil	50.1	62.5	669.2	737.4	- 9.2
Rod, Bar & Wire	21.4	15.6	204.1	242.3	-15.8
Electrical Conductor	53.0	59.0	635.5	683.3	- 7.0
Extruded Products	191.9	200.0	2,377.7	2,146.5	+10.8
Powder & Paste	6.9	3.6	114.6	96.1	+19.3
Forgings & Impacts	8.0	12.6	105.4	125.4	-15.9
Domestic Mill Products	841.7	888.5	10,718.8	9,817.9	+ 9.2
Ingot (Total)	249.8	282.7	2,579.0	2,403.0	+ 7.3
TOTAL DOMESTIC	1,091.5	1,171.2	13,297.8	12,220.9	+ 8.8
Exports	97.7	95.1	968.6	862.8	+12.3
TOTAL ALL PRODUCTS	1,189.2	1,266.3	14,266.4	13,083.7	+ 9.0

Source: The Association estimates total industry orders, based on weekly reports by members of new orders (less cancellations) received. The Association expands these data to total industry utilizing an expansion ratio that attempts to reflect the relationship of reporters to the total industry. Weekly data are available upon request.

(a) Import orders included in Sheet and Plate, Other.

*Latest month.

Inventories Dropped 79 Million Pounds in October

Producer inventories declined an estimated 79 million pounds in October 1985 from the revised September 1985 level of 5,419 million pounds.

Month-End Aluminum Inventories By Type of Producer Figures in Millions of Pounds

Month	Total*	Integrated	Smelters	Non-Integrated
Dec 80	5,076	4,018	261	797
Dec 81	6,607	5,542	266	798
Dec 82	6,180	5,224	216	740
Dec 83	4,994	3,979	163	853
Nov 84	5,920	4,792	205	925
Dec 84	5,850r	4,692	229	929

Month	Total*	Ingot	Scrap	All Other
Jan 85	5,916	2,582	710	2,624
Feb 85	5,820	2,695	676	2,450
Mar 85	5,800	2,560	663	2,577
Apr 85	5,728	2,597	682	2,449
May 85	5,684	2,579	693	2,412
Jun 85	5,596	2,436	664	2,496
Jul 85	5,575	2,450	681	2,444
Aug 85	5,489r	2,397r	695r	2,396r
Sep 85	5,419r	2,347r	657r	2,416r
Oct 85	5,340	2,377	616	2,347

*Latest two months estimated by Aluminum Association. Previous data-Bureau of the Census. Inventories include ingot, mill products and scrap. Early estimates are available approximately the 5th working day each month; however, there is a charge for this special service. Contact the Aluminum Association Department of Economics and Statistics for details.

Imports and Exports

(Millions of Pounds)

		1985 Oct.	1984 Oct.	1985 10 mos.	1984 10 mos.	% Change 1985 vs. 1984
Imports	Mill Products	81.7	104.0	861.4	952.2	- 9.5
	Ingot	189.4	185.4	1,634.9	1,692.4	- 3.4
	Total	271.1	289.4	2,496.3	2,644.6	- 5.6
	Scrap (+ dross)	32.6	25.3	227.9	271.2	-16.0
	Grand Total	303.7	314.7	2,724.2	2,915.8	- 6.6
Exports	Mill Products	41.4	43.5	370.6	438.3	-15.4
	Ingot	48.7	35.7	698.4	441.9	+58.0
	Total	90.1	79.2	1,069.0	880.2	+21.4
	Scrap	56.5	55.4	711.8	410.4	+73.4
	Grand Total	146.6	134.6	1,780.8	1,290.6	+38.0
Net Imports		157.1	180.1	943.4	1,625.2	-42.0

Source: Department of Commerce, Industry Trade Administration and Bureau of the Census. Excludes backed foil.